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December 7, 2020

Luly E. Massaro, Clerk
Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02889

Re: Block Island Utility District – Standard Offer Service and Transmission Rates
Docket No. 4690

Dear Luly:

As you know, this office represents Block Island Utility District (“BIUD”).

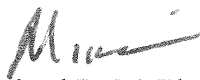
Enclosed for filing and presentation to the Commission are an original and five copies of a status report to the Commission regarding over-collections to date in this docket. Please note that there has been an over-collection of about \$240,000 and BIUD is recommending that this over-collection be used as follows:

1. Utilize \$130,000 of the over-collection to eliminate BIUD’s Distribution System Improvement (“DSI”) charge, and
2. Utilize \$110,000 to establish a reserve.

The rationale and supporting data for these requests are set forth in detail in the report and schedules enclosed herewith.

If you have any questions, please feel free to call.

Very truly yours,


Michael R. McElroy

MRMc/tmg
cc: Service List

**Docket No. 4690 – Block Island Power Co. – Procurement Plan & Tariff
Service List as of 1/24/2020**

Name/Address	Email	Phone
Michael McElroy, Esq. for BIPCo. McElroy & Donaldson PO Box 6721 Providence RI 02940-6721	Michael@McElroyLawOffice.com ;	401-351-4100
	leah@mcelroylawoffice.com ;	
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Jeffery Wright, President Block Island Power Co. Howell Conant, COO Nancy Dodge Tim Hebert Sara McGinnes Everett Shorey	jwright@blockislandutilitydistrict.com ;	401-466-5851
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John Bell, Division of Public Utilities	John.bell@dpuc.ri.gov ;	
	Al.contente@dpuc.ri.gov ;	
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Kathleen Merolla, Esq. Town of New Shoreham	KAMLAW2344@aol.com ;	
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	Townmanager@new-shoreham.com ;	
File an original & nine (9) copies w/: Luly E. Massaro, Commission Clerk Cynthia Wilson Frias, Counsel Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov ;	401-780-2107
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December 7, 2020

Michael R. McElroy, Esq.
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Providence R.I. 02904

Subject: PUC Docket No. 4690 - Block Island Utility District Status Report to the Public Utilities Commission (PUC) regarding overcollections resulting from actual kWh sales vs COVID impact projections.

Dear Mike,

This letter is the Block Island Utility District "Status Report." This report provides the status of the FY 2020 overcollections resulting from actual kWh sales vs COVID impact projections from the June 2020 reopening of the Standard Offer and Transmission rate filing.

The Standard Offer and Transmission rate filing was reopened in June 2020 due to the sudden sales decline. As you know, the seasonal nature of sales for BIUD is heavily influenced by tourism to the island that begins with Memorial Day weekend. Due to COVID restrictions imposed on travel to Block Island, and on the operation of the tourism-driven businesses on Block Island, such as restaurants, hotels, marinas, grocery stores, etc., there was a sudden and significant reduction in sales for Memorial Day weekend. This reduction contributed to a loss in kWh sales of approximately 23% for the month.

The June 2020 reopening adjusted the rates effective July 1, 2020. The reopening projected reductions in sales for June, July, August and September due to impacts from travel restrictions. The remaining months were anticipated to have no reduction since summer season tourism would be over at that point.

This status report utilizes the actual to date performance of the Standard Offer and Transmission rate as compared to the projections anticipated in the June 2020 reopening of the Standard Offer and Transmission rate filing. I have prepared Schedule DGB-1 and Attachment-1 which are attached to this letter to provide the results of my analysis. In preparing these schedules, I updated the forecast numbers on Attachment-1 for which BIUD had received invoices. The revenue figures on Schedule DGB-1 have been calculated with the actual kWh sales which have been billed to date. This report includes the November sales which were billed on December 2nd.

The result of my analysis shows that BIUD over collected during the summer over the original COVID projections. I estimate that as of the end of November BIUD has over collected approximately \$240,000. While tourism was impacted across the island by COVID travel restrictions, those reductions appear to have been offset by this summer being unusually warm and dry. As a result of the weather there was more power usage than anticipated from cooling systems.

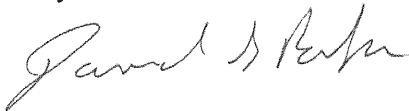
I am not recommending that that this over collection be addressed prior to the April reconciliation filing. I have given some thought about the impact of reducing rates for the remaining months of this standard offer cycle and I don't believe it would be fair to all ratepayers. The status report shows that the majority of the over collection occurred during July and August. The problem of adjusting rates at this point would be the ratepayers who contributed to this overage in the summer would not receive the benefit of a reduction. I believe that on a matching standpoint any benefit from this over collection should be done in a summer period since this is the period when the overcollection was derived.

There is another issue that should be addressed prior to any crediting of the overcollection. BIUD, unlike Pascoag Utility District, does not have a reserve to address any unusual circumstances. Pascoag maintains a reserve of \$550,000 which is about 10% of their total standard offer and transmission costs. Without such a reserve, BIUD had to file a reopening of the standard offer filing to address the potential impact of the COVID on summer sales. A reserve could also help BIUD from having to file or reduce the overall cost recovery of the filing for a fuel surcharge due to a wide scale outage. There is such a planned outage for April and/or May 2020 from National Grid's cable repair. While National Grid previously said that they would cover the fuel costs, they have not yet committed to cover fuel costs for this Spring's project.

I believe there is a way to address both providing ratepayer relief and also providing for a reserve. BIUD currently has a summer rate for its Distribution System Improvement (DSI) charge. This charge was agreed to be retired as part of Docket #4975 after the summer of 2022. This DSI charge (\$0.01 per kWh) generates approximately \$65,000 of revenue per summer. I believe with the approval of the PUC, BIUD should utilize \$130,000 of the overcollection to eliminate the DSI charge, thus giving relief to summer ratepayers who contributed to most of the overage. The remaining \$110,000 could be left to establish a reserve. I believe that this would be reasonable since this reserve would be around 5% of total standard offer and transmission costs.

If I can be of any additional assistance, please do not hesitate to contact me directly.

Sincerely

A handwritten signature in black ink, appearing to read "David G. Bebyn".

David G. Bebyn CPA
President

Analysis of Over/(Under) Collection-Resulting from Covid Impact
Block Island Power Company

Schedule DGB-1

Docket No. 4690
Twelve month Recalculation for
Rates Effective June 1, 2020

	Actual to date					Projected per the reopening					Over/Under
	Starting Balance	Revenue	Expense	Monthly Change	Cumulative	Starting Balance	Revenue	Expense	Monthly Change	Cumulative	Collection vs projections
May-20	\$ (39,896)	\$ 120,037	\$ 151,877	\$ (31,840)	\$ (71,736)	\$ (37,497)	\$ 123,673	\$ 156,769	\$ (33,096)	\$ (70,593)	\$ (1,143)
Jun-20	\$ (71,736)	\$ 195,959	\$ 175,786	\$ 20,173	\$ (51,563)	\$ (70,593)	\$ 151,327	\$ 182,112	\$ (30,785)	\$ (101,378)	\$ 49,815
Jul-20	\$ (51,563)	\$ 396,690	\$ 225,473	\$ 171,217	\$ 119,654	\$ (101,378)	\$ 309,297	\$ 233,714	\$ 75,583	\$ (25,795)	\$ 145,449
Aug-20	\$ 119,654	\$ 413,331	\$ 246,471	\$ 166,860	\$ 286,514	\$ (25,795)	\$ 331,793	\$ 239,415	\$ 92,378	\$ 66,583	\$ 219,930
Sep-20	\$ 286,514	\$ 258,418	\$ 212,323	\$ 46,095	\$ 332,609	\$ 66,583	\$ 209,580	\$ 187,482	\$ 22,098	\$ 88,681	\$ 243,927
Oct-20	\$ 332,609	\$ 175,801	\$ 178,409	\$ (2,608)	\$ 330,001	\$ 88,681	\$ 166,534	\$ 160,995	\$ 5,539	\$ 94,221	\$ 235,780
Nov-20	\$ 330,001	\$ 142,708	\$ 152,999	\$ (10,291)	\$ 319,710	\$ 94,221	\$ 138,419	\$ 152,844	\$ (14,425)	\$ 79,796	\$ 239,914
<i>if estimates hold remaining of the year</i>											
Dec-20	\$ 319,710	\$ 150,629	\$ 153,702	\$ (3,073)	\$ 316,637	\$ 79,796	\$ 150,635	\$ 153,702	\$ (3,067)	\$ 76,729	\$ 239,908
Jan-21	\$ 316,637	\$ 142,384	\$ 159,196	\$ (16,812)	\$ 299,825	\$ 76,729	\$ 142,389	\$ 159,196	\$ (16,807)	\$ 59,922	\$ 239,903
Feb-21	\$ 299,825	\$ 129,967	\$ 148,875	\$ (18,909)	\$ 280,917	\$ 59,922	\$ 129,971	\$ 148,875	\$ (18,904)	\$ 41,018	\$ 239,899
Mar-21	\$ 280,917	\$ 134,034	\$ 150,769	\$ (16,736)	\$ 264,181	\$ 41,018	\$ 134,038	\$ 150,769	\$ (16,731)	\$ 24,287	\$ 239,894
Apr-21	\$ 264,181	\$ 124,839	\$ 149,130	\$ (24,291)	\$ 239,890	\$ 24,287	\$ 124,843	\$ 149,130	\$ (24,287)	\$ (0)	\$ 239,890
	Period Cumulative Over/(Under) Collection					Period Cumulative Over/(Under) Collection					\$ 37,497

Standard Offer - Only

	Starting Balance	Revenue	Expense	Monthly Change	Cumulative
May-20	\$ (22,569) A	\$ 69,782	\$ 79,897	\$ (10,115)	\$ (32,684)
Jun-20	\$ (32,684)	\$ 106,866	\$ 99,447	\$ 7,418	\$ (25,266)
Jul-20	\$ (25,266)	\$ 209,225	\$ 142,307	\$ 66,917	\$ 41,651
Aug-20	\$ 41,651	\$ 218,002	\$ 145,397	\$ 72,604	\$ 114,256
Sep-20	\$ 114,256	\$ 136,296	\$ 111,039	\$ 25,257	\$ 139,513
Oct-20	\$ 139,513	\$ 92,722	\$ 92,531	\$ 191	\$ 139,704
Nov-19	\$ 139,704	\$ 75,268	\$ 80,803	\$ (5,535)	\$ 134,169

	Forecast KWH (Sch DGB-2)	Standard Offer Rate (Sch DGB-1)	Standard Offer Revenue	(Attachment - 1) Total Energy Costs	(Attachment - 2) Total Capacity/ Other Costs	Total Other Costs	Total Expense
May-20	717,926	\$ 0.0972	\$ 69,782	\$ 27,049	\$ 49,597	\$ 3,251	\$ 79,897
Jun-20	1,169,207	\$ 0.0914	\$ 106,866	\$ 41,382	\$ 53,750	\$ 4,316	\$ 99,447
Jul-20	2,092,246	\$ 0.1000	\$ 209,225	\$ 78,752	\$ 56,351	\$ 7,205	\$ 142,307
Aug-20	2,180,015	\$ 0.1000	\$ 218,002	\$ 79,609	\$ 58,149	\$ 7,639	\$ 145,397
Sep-20	1,362,964	\$ 0.1000	\$ 136,296	\$ 51,145	\$ 55,302	\$ 4,592	\$ 111,039
Oct-20	927,222	\$ 0.1000	\$ 92,722	\$ 35,039	\$ 54,434	\$ 3,058	\$ 92,531
Nov-19	752,681	\$ 0.1000	\$ 75,268	\$ 28,287	\$ 49,857	\$ 2,658	\$ 80,803

A Starting Balance obtained from Schedule DGB-4 and Attachment 5

Standard Offer	
See Schedule DGB-4	\$ (7,744)
See Attachment-5	\$ (18,042)
CY pre may 20 actuals vs est	\$ 3,217
	<u>\$ (22,569)</u>

Transmission Charges - Only

	Starting Balance	Revenue	Expense	Monthly Change	Cumulative
May-20	\$ (17,327) A	\$ 50,255	\$ 71,980	\$ (21,725)	\$ (39,052)
Jun-20	\$ (39,052)	\$ 89,094	\$ 76,339	\$ 12,755	\$ (26,297)
Jul-20	\$ (26,297)	\$ 187,465	\$ 83,166	\$ 104,300	\$ 78,003
Aug-20	\$ 78,003	\$ 195,329	\$ 101,074	\$ 94,255	\$ 172,258
Sep-20	\$ 172,258	\$ 122,122	\$ 101,284	\$ 20,838	\$ 193,096
Oct-20	\$ 193,096	\$ 83,079	\$ 85,878	\$ (2,799)	\$ 190,297
Nov-19	\$ 190,297	\$ 67,440	\$ 72,196	\$ (4,756)	\$ 185,541

	Forecast KWH (Sch DGB-2)	Transmission Charge Rate (Sch DGB-1)	Transmission Charge Revenue	(Attachment - 1) Total Energy Costs	Total Expense
May-20	717,926	\$ 0.0700	\$ 50,255	\$ 71,980	\$ 71,980
Jun-20	1,169,207	\$ 0.0762	\$ 89,094	\$ 76,339	\$ 76,339
Jul-20	2,092,246	\$ 0.0896	\$ 187,465	\$ 83,166	\$ 83,166
Aug-20	2,180,015	\$ 0.0896	\$ 195,329	\$ 101,074	\$ 101,074
Sep-20	1,362,964	\$ 0.0896	\$ 122,122	\$ 101,284	\$ 101,284
Oct-20	927,222	\$ 0.0896	\$ 83,079	\$ 85,878	\$ 85,878
Nov-19	752,681	\$ 0.0896	\$ 67,440	\$ 72,196	\$ 72,196

A Starting Balance obtained from Schedule DGB-4 and Attachment 5

Transmission Costs	
See Schedule DGB-4	\$ (5,544)
See Attachment-5	\$ (6,167)
CY pre may 20 actuals vs est	\$ (5,616)
	<u>\$ (17,327)</u>

**Actual/Forecast Purchase Power Costs
Block Island Power Company**

Attachment 1

Docket No. 4690
Twelve month Recalculation for
Rates Effective June 1, 2020

Purchase Power Projections

	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	Totals
Load (Energy Purchased)							891	886	955	770	856	831	15,264 *
MWH													-
Bilateral Purchase							802	797	859	693	771	748	13,738
NYPA Purchase							124	118	135	131	139	150	1,639
BIUD Solar (Project)							5	4	4	6	9	10	90
ISO Adjusted net Interchange							(40)	(34)	(43)	(61)	(62)	(76)	(203)
Total Net Purchases MWH							891	886	955	770	856	831	15,264
Energy Costs	See Attachment-3												
Shell	34.85	34.85	34.85	34.85	34.85	34.85	34.85	34.85	34.85	34.85	34.85	34.85	
py BIUD SO rate		167.25	167.25	167.25	167.25	167.25	167.25	167.25	167.25	167.25	167.25	167.25	
Bilateral Purchase (Shell)	\$ 27,458	\$ 43,645	\$ 76,079	\$ 73,162	\$ 47,238	\$ 31,702	\$ 27,946	\$ 27,789	\$ 29,938	\$ 24,155	\$ 26,855	\$ 26,059	\$ 462,026
NYPA Purchase	\$ 698	\$ 985	\$ 1,724	\$ 1,473	\$ 1,250	\$ 1,324	\$ 610	\$ 581	\$ 664	\$ 646	\$ 682	\$ 736	\$ 11,373
BIUD Solar (Project)	\$ -	\$ -	\$ 470	\$ 2,198	\$ 2,061	\$ 1,390	\$ 1,017	\$ 694	\$ 635	\$ 1,047	\$ 1,458	\$ 1,668	\$ 12,637
ISO Net Position	\$ (1,107)	\$ (3,248)	\$ 479	\$ 2,776	\$ 596	\$ 622	\$ (1,285)	\$ (1,511)	\$ (2,401)	\$ (3,323)	\$ (2,436)	\$ (2,179)	\$ (13,018)
Total Energy Costs	\$ 27,049	\$ 41,382	\$ 78,752	\$ 79,609	\$ 51,145	\$ 35,039	\$ 28,287	\$ 27,553	\$ 28,836	\$ 22,525	\$ 26,559	\$ 26,284	\$ 473,018
Capacity/Other Costs													
ISO FCM Charges net of													
NYPA CAP credit	\$ 40,412	\$ 43,544	\$ 43,570	\$ 43,709	\$ 43,565	\$ 44,138	\$ 39,980	\$ 39,980	\$ 39,980	\$ 39,980	\$ 39,980	\$ 39,980	\$ 498,816
NYPA Fixed Costs	\$ 1,222	\$ 1,222	\$ 1,222	\$ 1,222	\$ 1,222	\$ 1,222	\$ 1,222	\$ 1,222	\$ 1,222	\$ 1,222	\$ 1,222	\$ 1,222	\$ 14,663
ISO Ancillary/Schedule													
Charges	\$ 2,446	\$ 2,427	\$ 2,907	\$ 3,757	\$ 3,656	\$ 3,156	\$ 3,074	\$ 3,057	\$ 3,458	\$ 2,790	\$ 3,102	\$ 3,010	\$ 36,838
ISO Annual Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ 500
Projected ENE Fees	\$ 5,517	\$ 6,557	\$ 8,652	\$ 9,461	\$ 6,859	\$ 5,918	\$ 5,582	\$ 5,572	\$ 5,809	\$ 5,440	\$ 5,612	\$ 5,562	\$ 76,541
Total Capacity/Other Costs	\$ 49,597	\$ 53,750	\$ 56,351	\$ 58,149	\$ 55,302	\$ 54,434	\$ 49,857	\$ 49,830	\$ 50,968	\$ 49,431	\$ 49,915	\$ 49,773	\$ 627,359
Transmission Costs													
ISO Transmission Charges	\$ 13,295	\$ 14,716	\$ 30,482	\$ 49,933	\$ 47,080	\$ 32,040	\$ 17,999	\$ 18,378	\$ 19,106	\$ 16,400	\$ 16,534	\$ 14,914	\$ 290,877
NYPA Transmission Costs	\$ 1,913	\$ 1,819	\$ 1,465	\$ 1,254	\$ 1,351	\$ 985	\$ 1,357	\$ 2,457	\$ 4,598	\$ 5,381	\$ 2,366	\$ 2,841	\$ 27,786
National Grid Connection													
DAF Charges	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 338,136
National Grid Cable													
Surcharges	\$ 4,601	\$ 4,261	\$ 4,261	\$ 4,107	\$ 4,263	\$ 4,263	\$ 4,250	\$ 4,250	\$ 4,250	\$ 4,250	\$ 4,250	\$ 4,250	\$ 51,257
National Grid Transformer													
Surcharges	\$ 1,691	\$ 1,681	\$ 1,681	\$ 1,681	\$ 1,691	\$ 1,691	\$ 1,691	\$ 1,691	\$ 1,691	\$ 1,691	\$ 1,691	\$ 1,691	\$ 20,261
National Grid Meter													
Surcharge	\$ 65	\$ 63	\$ 63	\$ 63	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 770
National Grid Rolled in													
Distribution	\$ 13,381	\$ 14,077	\$ 14,077	\$ 14,077	\$ 13,382	\$ 13,382	\$ 13,382	\$ 13,382	\$ 13,382	\$ 13,382	\$ 13,382	\$ 13,382	\$ 162,667
National Grid PTF, Non-PTF													
and Load Dispatch Charges	\$ 8,856	\$ 11,544	\$ 2,958	\$ 1,780	\$ 5,275	\$ 5,275	\$ 5,275	\$ 5,275	\$ 5,275	\$ 5,275	\$ 5,275	\$ 5,275	\$ 67,338
Total Transmission Costs	\$ 71,980	\$ 76,339	\$ 83,166	\$ 101,074	\$ 101,284	\$ 85,878	\$ 72,196	\$ 73,675	\$ 76,544	\$ 74,621	\$ 71,741	\$ 70,595	\$ 959,093
Total All-In Costs	\$ 148,626	\$ 171,470	\$ 218,269	\$ 238,832	\$ 207,731	\$ 175,351	\$ 150,341	\$ 151,058	\$ 156,348	\$ 146,578	\$ 148,215	\$ 146,651	\$ 2,059,469

* This line item represents the Purchased KWH.

The difference between this line item and the estimated kwh sales on DGB-2 represents the estimated KWH line losses.

Actual

Actual

Unshaded values are projections